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FINAL REPORT

to the

**U S Agency for International Development
Office of Food for Peace**

on Award # FAO-G-00-97-00010-00

for an

INSTITUTIONAL SUPPORT GRANT

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for the period

January 1, 1999 to June 30, 1999

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Background

In May 1997, Mercy Corps International was awarded an Institutional Support Grant (ISG) by the USAID/BHR Office of Food for Peace to strengthen its worldwide organizational capability to develop, administer and implement Title II programs. The objectives of the grant are as follows

- 1 Add the capacity at Mercy Corps headquarters to design Title II programs and to provide training and technical assistance to program staff, country offices and partner organizations,
- 2 Carry out feasibility studies in Afghanistan and Kosova to assess food needs and to determine how Title II commodities can support ongoing relief and development efforts and expand program impacts,
- 3 Strengthen Mercy Corps headquarters' capacity to manage and account for Title II commodities and cash

Partly as a result of this ISG, emergency Title II food grants were awarded to Mercy Corps for programs in Kosovo and Indonesia

Activities

Strengthened Capacity

The Mercy Corps Food Resources Manager is meeting the primary objective of the Institutional Support Grant to strengthen the capacity of the organization to handle food programs. Among the responsibilities of this position are backstopping the Kosovo Food for Peace program, recruiting and hiring food aid consultants and expatriate staff and the new initiative in Indonesia. The Food Resources Manager has also been involved in Food for Progress programs and proposals and material aid donations and shipping.

A library of reference materials has been collected and forwarded to many of the MCI field offices. The FAM office has been very helpful in this matter. The Food Resources Manual recently published by CARE has been useful as a reference and training manual. A number of copies of this manual have been sent to Kosovo and other offices where Mercy Corps has food or commodity programs. In addition, an operations manual that was written by the food program consultant on the Kosovo grant has been used as a reference guide.

Mercy Corps has become a member of Food Aid Management (FAM) and expects to participate fully in the organization

Kosovo Food for Peace Program

An emergency program for Title II food for the Kosova province of Yugoslavia was approved by the Office of Food for Peace in September 1998. This program was being implemented in coordination with CRS and the World Food Programme when the war broke out. Initially, Mercy Corps was responsible for the needs of 50,000 internally displaced persons (IDPs) and host families in Kosova and 10,000 individuals in Montenegro with a grant of 8,100 MT of commodities including flour, beans and vegetable oil. During the war, Mercy Corps moved most international and national staff to safety in Macedonia, Albania and Montenegro. In each of these locations food and other relief programs were developed and implemented with funding from US government and other donors. During this time, the Food Resources Manager played a key role in Skopje, Macedonia and Tirana, Albania spending a total of three months in the Balkans.

After the war Mercy Corps reassembled the staff and programs in Western Kosovo in the area of responsibility (AOR) of Pec, known locally by the Albanian name Peje. An extension to the FFP grant was approved for the period of July through December 1999 to provide an additional 11,040 MT of various commodities. Food for Progress is also supplying 25,000 MT flour to CRS and Mercy Corps. According to the TA amendment, Mercy Corps is currently providing assistance to over 200,000 war affected individuals in Kosovo, 10,500 families in Macedonia who are social cases and up to 60,000 individuals in Montenegro who are IDPs, host families or social cases. Since this assistance will be necessary through winter and until September 2000 Mercy Corps is applying for an extension of this emergency program. This extension will shift the emphasis of the program from direct distribution to greater food security through better targeting of beneficiaries and reconstruction projects.

In Kosovo, Mercy Corps is working through the Mother Teresa Society (MTS) as a counterpart agency. In Montenegro the counterpart is the Montenegro Red Cross and in Macedonia the counterpart is the Macedonian Red Cross. In all these areas, Mercy Corps cooperates closely with the World Food Programme and Catholic Relief Services. This relationship with larger, experienced organizations has helped strengthen and improve the capacity of Mercy Corps to implement food programs.

Indonesia

In June 1999, USAID Food for Peace awarded Mercy Corps with a TA for emergency food distribution in Indonesia. The goal of the program is to improve access to food for 12,000 individuals, particularly children under five, pregnant women and the elderly in targeted communities in Jakarta and to provide short-term employment (food for work) for 6,000 families. A commitment of 5,520 MT of rice, CSB and vegetable oil has been approved for this program. At the time of this report, the first food for work projects have begun and the first shipment of food arriving in Jakarta. The support of USAID and the ISG has been essential to developing this new program for Mercy Corps and the people of Indonesia.

Mercy Corps is also participating in the PVO consortium that monetized wheat under the USDA program. Our role in the consortium is to provide block grants and training to local NGOs to support food security and economic development.

Afghanistan

Mercy Corps has more than 10 years of experience working in Southern Afghanistan with programs focusing on rural reconstruction, agriculture, assistance to refugees and general rural development. Although an assessment was made, no new activities were started in Afghanistan under the ISG. Mercy Corps participated in the 1999 United Nations Appeal with several agriculture, sustainable development and food security related proposals. We will continue to monitor the food situation, particularly related to access for women and will continue with other USG funding for rural reconstruction and agriculture projects. When it is appropriate, we will be ready to implement a Food for Peace program in Afghanistan.

USDA Food for Progress and Section 416(b)

Mercy Corps is currently implementing USDA Food for Progress programs in Bosnia, Kyrgyzstan, and Tajikistan. These are monetization and distribution programs with a total of 21,750 MT of various commodities. For FY2000 proposals have been submitted for Tajikistan, Malawi and Bosnia.

Future Plans

The emergency program in the Balkans is expected to continue for another year as the Kosovo people transition from the crisis to providing for themselves. Mercy Corps has strong programs to support both agriculture and economic development in Kosovo as well as a partnership program to increase the capacity of the counterpart agency, the Mother Teresa Society. Similar programs have been developed for Albania, Montenegro, Macedonia and Bosnia. Mercy Corps will carefully evaluate the food security situation in the region and work closely with Food for Peace and other agencies to develop appropriate programs.

The Mercy Corps program in Indonesia is just getting started but it seems that economic problems and food insecurity are increasing and will get worse before they get better. We will continue with our current programs, supported by USAID and USDA, and prepare for other opportunities or programs when appropriate.

Other programs that Mercy Corps is involved in or may become involved in include North Korea, Russia and Albania.

Conclusion

Mercy Corps has benefited immensely from this Institutional Support Grant funded by USAID. The organization is much more capable with food programs today than it was in early 1997 when the original grant was made. Our experience with food programs in Kosovo and now Indonesia will help provide assistance to our target beneficiaries throughout the world.